

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  PEOPLES NATURAL GAS COMPANY, DIVISION OF UTILICORP UNITED INC.	DOCKET NO. PGA-00-70
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**ORDER APPROVING ANNUAL PURCHASED GAS ADJUSTMENT  
RECONCILIATION**

(Issued January 3, 2001)

On September 5, 2000, the Utilities Board (Board) granted Peoples Natural Gas Company, Division of UtiliCorp United Inc. (Peoples), a limited waiver until November 1, 2000, to file the purchased gas adjustment (PGA) reconciliation required by 199 IAC 19.10(7). On November 1, 2000, Peoples filed its annual purchased gas adjustment reconciliation with the Board. The reconciliation has been identified as Docket No. PGA-00-70. On November 29, 2000, the Board issued an order docketing the proposed tariff for further review.

The Board began its review of the annual reconciliation after the November 1, 2000, filing. The Board was unable to complete its review by November 30, 2000, due to the complexity and the volume of material to be reviewed. The review involved the reconciliation of each customer class' actual net invoiced cost of purchased gas to the actual revenue collected net of the prior years reconciliation

dollars plus any distributed refunds. If the reconciliation results in an under-collection, the total uncollected dollars are divided by anticipated sales volumes for the prospective ten-month period beginning November 1. The resulting quotient (E factor) then becomes a part of each customer class' PGA formula.

If there is an over-collection, it may be refunded by bill credit or check, or by E factor adjustment, if it is 3 percent or less. If the over-collection is more than 3 percent for a class, it must be refunded by bill credit or check. The November 1, 2000, filing contained E factors based upon an under-collection of revenues. In addition, the filing included \$1,077,841 in refunds to sales customers that reflect refunds received by Peoples for Kansas ad valorem taxes. These refunds were allowed to be included in the annual reconciliation by an order issued in Docket No. WRU-98-13-225. On December 28 and 29, 2000, Peoples filed revisions to its November 1, 2000, reconciliation.

The Board has reviewed the reconciliation and the revisions filed by Peoples. The Board finds that the information provided by Peoples adequately supports the proposed E factors. The E factors show an over-collection that will reduce customers cost for gas over the succeeding eight-month period.

**IT IS THEREFORE ORDERED:**

The annual purchased gas adjustment reconciliation, and Kansas ad valorem tax refund filed by Peoples Natural Gas Company, Division of UtiliCorp United Inc., on November 1, 2000, as revised on December 28 and 29, 2000, is approved beginning with the January 2001 billing cycle.

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper

Acting Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 3<sup>rd</sup> day of January, 2001.